

Message Text

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PAGE 01 MEXICO 08396 030213Z

15

ACTION EB-12

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 L-03 H-03 PA-04 USIA-15 PRS-01 DRC-01 /161 W

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R 022334Z OCT 74

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4121

UNCLAS MEXICO 8396

E.O. 11652: N/A

TAGS: EFIN MX

SUBJECT: BANK OF MEXICO TIGHTENS CREDIT FURTHER

PASS TREASURY

1. BANK OF MEXICO TIGHTENED COMMERCIAL BANK RESERVE REQUIREMENTS STILL FURTHER, AND IMPOSED EFFECTIVE RESERVE REQUIREMENT OF 80 PERCENT ON DEPOSITS ON MEXICO CITY BANKS IN EXCESS OF SEPTEMBER 27 BALANCES. MOVE WAS ANTICIPATED BY BANKERS WHO WERE SCURRYING AROUND TOWN ON FRIDAY TRYING TO BUILD UP THEIR DEPOSIT BASE.

2. COMMERCIAL BANKS ACCOUNTED FOR ONLY 9 PERCENT OF TOTAL CREDIT OF BANKING SECTOR AT END-JUNE, AND ONLY 22 PERCENT OF CREDIT BY PRIVATE BANKING INSTITUTIONS. ANTI-INFLATIONARY EFFECT OF TIGHTER CONTROLS MAY NOT BE PARTICULARLY GREAT BUT WILL BE FELT BY PRIVATE BUSINESS.

3. THERE ARE ALSO RUMORS FLOATING ABOUT THAT INTEREST RATE CEILINGS WILL BE RAISED.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: CENTRAL BANK, COMMERCIAL BANKS, CREDIT CONTROLS, INTEREST RATES
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Comment: n/a
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Review Event:
Review Exemptions: n/a
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30 JUN 2005

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Review Transfer Date:
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TAGS: EFIN, MX
To: STATE
Type: TE
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